

Local Enterprise Partnership

01 July 2021

Education, Skills and Employability Update

Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

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Executive Summary:

This paper provides an update for the Local Enterprise Partnership (LEP) Board across the range of the Mayoral Combined Authority's (MCA) skills and employment activity. It reflects discussion at the Education, Skills and Employability Board (ESEB) meeting on 15th June and so includes a number of decisions and actions agreed at that meeting. There is also an overview of previous decisions and work that is already in train. The paper includes updates on two LEP programmes – Skills Bank and the South Yorkshire Careers and Enterprise Company Hub (formally Enterprise Advisor Network).

What does this mean for businesses, people and places in South Yorkshire?

Investment in education, skills and employability will be used to drive a change in the ambitions of our South Yorkshire residents, put employers at the heart of our skills and employability system, contributing to inclusion, prosperity, and growth.

Recommendations:

It is recommended that LEP Board members:

- Note the update on devolved Adult Education Budget commissioning;

- Note proposals for development of a South Yorkshire Skills Strategy;
- Note the update on Careers Advice and Guidance;
- Approve the development of a full specification for the next iteration of Skills Bank based on the recommendations of the ESEB covering the principles, economic and social value outcomes and the operating model and set out at Appendices C and D to this paper;
- Note the proposal for a Task and Finish Group to consider skills support for redundancy;
- Note the update on the proposed South Yorkshire Jobs Fund programme for those unemployed for 6 months.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Education Skills and Employability Board

15 June 2021

1. Background

1.1 Under direction from the Education, Skills and Employability Thematic Board significant work is underway on a range of skills and employability activity including:

- Preparation by the Authority for the devolution of the Adult Education Budget;
- The development of a Skills Strategy for South Yorkshire;
- The development and design of an all-age careers offer;
- Development of the next phase of Skills Bank;
- A task force approach to support with redundancy;
- Development of the South Yorkshire Jobs Fund, a work placement programme for residents who have been out of work for 6 months.

2. Key Issues

2.1 Devolved Adult Education Budget (AEB) commissioning

2.1.1 The Adult Education Budget (AEB) will be devolved to the Authority to support delivery from 1st August 2021. The total value of AEB for South Yorkshire residents is £39.3m. The Authority will receive an additional £2.8m from the Department for Education ringfenced for Level 3 provision for adults aged 24+. The total value of provision is therefore just over £42m in 2021/22 and will be commissioned through two strands: grant funded provision and procured provision.

2.1.2 Grant funded providers

Under the terms of the devolution deal, the Authority committed to ensuring that the transition from national ESFA funding to CA funding would not destabilise the FE sector. The Education, Skills and Employability Board took the decision to restrict devolved grants to the 9 South Yorkshire based providers who currently receive grants. These include Barnsley MBC, Doncaster MBC and Sheffield City Council, Barnsley College, Doncaster Colleges, Northern College, RNN and Sheffield Colleges plus Longley Park Sixth Form Colleges.

2.1.3 Grants were approved by the MCA on 22nd March and providers now have their indicative funding letters. They will be held to account for delivery

against plans agreed with the Authority which target delivery on South Yorkshire's priorities.

2.1.4 Procured provision

To fill gaps in provision, the MCA ran a £10.2m procurement round which was open to independent, grant, voluntary and third sector organisations. The procurement round was split into four lots:

- Lot 1 - Supporting residents into employment (£3,550,000) - provision aimed at residents who need support to enter/re-enter the workforce including Sector Work Academy Programmes.
- Lot 2 - Provision for adults in employment, self-employed or at risk of redundancy (£3,550,000 – to support residents in work looking to reskill or upskill by gaining qualifications at higher levels.
- Lot 3 – No young person left behind (£1,550,000) - targeting support at young people aged 19-24 who are Not in Employment Education or Training (NEET) or hidden NEETs.
- Lot 4 – Test and Learn Adult Key Worker Model (£1,550,000) - grass roots integrated delivery models focused on those adults 25+ that would benefit from significant personalised support.

2.1.5 The Authority wrote to all providers who had met the standard for inclusion on the framework contract on 26th May. Not all providers on the framework will receive a contract in this initial procurement round, however, the intention is to procure from others on the framework should further funds become available. Confirmation will be sent imminently to those providers who have secured an initial contract.

2.1.6 Providers with a contract for services were assessed on the quality of 3-year delivery plans submitted with their bids for funding. Bidders were asked to provide details of the programmes they proposed to run in the Authority's priority areas including growth and recovery sectors. Delivery plans will be used to hold providers to account for their contribution to South Yorkshire's economic ambitions.

2.2 **Skills Strategy**

2.2.1 Members of the Education, Skills and Employability Board (ESEB) have commissioned development of a strategy for skills that would allow the Authority to set short and longer term priorities in the context of the wider ambitions for economic growth and our commitment to a stronger, greener and fairer future.

2.2.2 The skills strategy will support the LEP's Strategic Economic Plan (SEP) and the Authority's Renewal Action Plan (RAP). It will also link with and support the emerging Inclusion Plan which is in development.

2.2.3 At the Education, Skills and Employability Thematic Board meeting of 15th June 2021, Board members agreed the following proposals:

- The overall approach to the work and skills strategy structure and the timeline;
- The proposed scope of the skills and employability strategy based on emerging priority themes;

- The process to enable the commissioning of Labour Market Intelligence (LMI) research and consultant analysis of evidence base.

- 2.2.4 Members have agreed that the skills strategy should comprise three key components:
- a. A solid evidence base which sets out the current skills position in South Yorkshire;
 - b. A robust Labour Market Overview providing the backdrop to current LMI and signalling direction of travel for skills demand for the future;
 - c. A skills strategy document which sets out how the mechanisms and levers of strategic influence, partnership working and funding will be used to help residents improve their skills for greater inclusion and social mobility and to ensure they increasingly provide the supply of skills employers need.
- 2.2.5 Board members emphasised the need to take account of multiple sources of existing data research that evidence the current position and challenges. This includes working with the Skills Advisory Network, consideration of the developing local authority skills strategies and ensuring a good fit with the work that will be led by the Chambers of Commerce if the Local Skills Improvement Plan bid is successful.
- 2.2.6 The support of the LEP in putting together the Labour Market Overview will be critical.
- 2.2.7 More detail and an initial timeline are set out in Appendix A and B.

2.3 **Careers Advice and Guidance**

- 2.3.1 The Strategic Economic Plan sets out a commitment to design and deliver an all-age careers service. As a starting point for that work, the ESEB considered a paper setting out the existing building blocks that are already in place in terms of careers provision. Key priorities are to:
- Improve effectiveness of existing provision and secure better alignment with MCA priorities
 - Identify the gaps and prioritise work to fill them.
- 2.3.2 ESEB were provided with an update on workstreams already underway including the bringing together of Careers and Enterprise Company (CEC) activity within a South Yorkshire Hub and the work started in Doncaster as part of the Opportunity Area legacy work to provide all age careers advice through the START platform. Local authorities have committed to fund START in the current proposal.
- 2.3.3 The Board gave support for additional work that will assess and fill the gaps in provision, including establishing an MCA wide Operation Group for careers, mapping current stakeholders and provision, running a South Yorkshire careers / apprenticeships event and approval to submit an application for a CEC Incubation funded project aimed at pupils, parents and carers.

2.3.4 ESEB commented that while the focus on CEC funded activity serves a particular client group and can be made to work more effectively, it is not an offer that works for all residents. Solutions are needed for people whose needs are not served through the CEC hub, including more disadvantaged pupils, people whose jobs are at risk and older adults who need support to progress.

2.4 **Skills Bank**

2.4.1 Since 2015 the Skills Bank has been a key part of the Sheffield City Region LEP offer to businesses. The second iteration of the programme, Skills Bank 2, completed delivery at the end of March 2021. The Education, Skills and Employability (ESE) Board previously approved the use of the Skills Bank reserve funds to support a future regional Skills Bank offer.

2.4.2 Details of the development work and recommendations made so far for the future programme can be found in Appendices C and D.

2.5 **Skills Support for Redundancy**

2.5.1 There is a potential risk of redundancy when the furlough scheme comes to an end; South Yorkshire residents are particularly vulnerable because 1 in 3 people work in low paid jobs which have been disproportionately impacted either directly through business closures or indirectly because the pandemic has accelerated changes to the nature of businesses. Those with low skills levels are likely to be particularly vulnerable to change and to redundancy.

2.5.2 The ESEB considered a paper setting out the current provision that is available when businesses declare a potential redundancy situation. Principally, this is the DWP's Rapid Response service which is delivered in South Yorkshire in partnership with Prospects, on behalf of the National Careers Service and The Growth Company and is funded through ESF to deliver skills support.

2.5.3 The Board noted that this leaves significant gaps in provision:

- Organisations with fewer than 15 members of staff do not have access to this service, so there is a real risk that large numbers of people are made redundant from smaller businesses and do not receive the timely and comprehensive support that others receive, increasing the risk that they do actually become unemployed.
- There is a risk that current support is too transactional and generic in nature and doesn't allow people faced with redundancy to use it as an opportunity to upskill / reskill and pivot into more resilient and valuable jobs.
- With the end of ESF provision in 2023 and final recruitment to programmes sometime in 2022, there is a gap in the funding model for the current offer which we need to prepare for.

2.5.4 On the back of learning from other areas, the ESEB want to progress options to put in place a Task and Finish Group to work with partners across the region to improve intelligence about potential redundancies, create simplified messaging and support a more joined up approach,

using provision better to respond to needs. The engagement of Trade Unions is also likely to be beneficial.

2.5.5 The ESEB considered that this is a key piece of work that needs to be taken forward with immediate effect.

2.6 **South Yorkshire Jobs Fund**

2.6.1 Under the Recovery Action Plan, the Authority committed £4m Gainshare funding to support a back-to-work programme for people aged 25+, based on the government's Kickstart approach. The March ESEB considered a proposal for the programme under the title 'South Yorkshire Jobs Fund'.

2.6.2 The purpose of the programme is to give participants who have been out of work for 6 months the confidence, skills, and sector-based work experience necessary to help them secure sustainable employment, either with the placement employer or another in a growth employment sector. The proposal fills a gap in DWP provision between offers for claimants at 13 weeks and Restart which will support those who have been unemployed or 12 months+.

2.6.3 The ESEB agreed with a recommendation to use Gainshare funding to pay wages at the level of the National Living Wage, which is expected to give the majority of participants a financial incentive over their normal Universal Credit rates.

2.6.4 There is an opportunity to draw together support provided through several programmes so that it coalesces around the needs of individuals participating in the programme. This includes AEB funded essential skills and a pre-placement skills development offer as well as DWP funded support and coaching.

2.6.5 The key principles for SYJF roles will be that they offer:

- paid employment – with the intention is that opportunities will come from both public and private sector organisations;
- real jobs – providing dignity of employment taking on roles with real responsibilities and subject to normal employment conditions;
- training to support development of employability skills relevant to the labour market (and this is planned into the role);
- employer support for staff who are undertaking the training;
- employer engagement because there is clear value for them in being able to provide staff with the opportunity to develop their own skills by training others.

2.6.6 The Board agreed to set up a Steering Group to take forward development work on the SYJF model, with clear Terms of Reference (ToR), setting out the Roles, Responsibilities and Accountability arrangements. Expected membership of the Steering Group will be:

- the Authority
- local authorities
- DWP local team
- Employer representation, including Chambers of Commerce
- Training provider representative

3. Options Considered and Recommended Proposal

- 3.1 This is an update paper which covers a range of skills and employment activity. Details of the options considered by the ESEB are set out in the relevant background papers listed.
- 3.2 Specifically in relation to the Skills Bank as a LEP programme, Board members are asked to consider the approach recommended by the ESE Board including the shape of the proposed operating model and funding of the future regional Skills Bank programme as set out in Appendix C.
- 3.3 LEP Board members are asked to approve the move to development of a full specification based on the recommendations of the ESEB covering the principles, economic and social value outcomes, and the operating model.

4. Consultation on Proposal

- 4.1 LEP Board members are asked to note the key points of consultation relevant to the updates and proposal in this paper:
- The Skills Strategy will have an important line of sight back into the work that each of the local authorities has been doing to develop their own skills and employment strategies. The Authority will consult with each of the local authorities a) to make use of the research and evidence they have already developed through their own work and b) to ensure that the MCA strategy adds value overall and does not duplicate or contradict more local place based strategies.
 - Development of Skills Bank proposals was done through consultation with a group of interested stakeholders including LEP members, the Chambers of Commerce and an employer.
 - The Task and Finish group for Skills Support for Redundancy will include representatives of the main service providers including DWP, the National Careers Service (Prospects) and the Growth Company. Engagement with local authorities as part of this work will be critical to success.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 Relevant timescales are presented within each separate activity and outlined in more detail within respective papers listed under background papers.

6. Financial and Procurement Implications and Advice

- 6.1 Financial and Procurement Implications have been obtained for each element of activity and included in the respective papers which are listed under background papers

7. Legal Implications and Advice

- 7.1 Legal Implications and Advice have been obtained for each element of activity and included in the respective papers which are listed under background papers

8. Human Resources Implications and Advice

8.1 HR Implications and Advice have been obtained for each element of activity and included in the respective papers which are listed under background papers

9. Equality and Diversity Implications and Advice

9.1 Equality and Diversity implications and advice have been obtained for each element of activity and included in the respective papers which are listed under background papers

10. Climate Change Implications and Advice

10.1 Climate Change implications and advice have been considered for each element of activity and included in the respective papers which are listed under background papers

11. Information and Communication Technology Implications and Advice

11.1 ICT implications have been obtained for each element of activity and included in the respective papers which are listed under background papers

12. Communications and Marketing Implications and Advice. Please also refer to consultation undertaken as per Section 4

12.1 Communication and Marketing implications and advice have been obtained for each element of activity and included in the respective papers which are listed under background papers

List of Appendices Included

- A Skills Strategy Process and Timescales
- B Skills Strategy Priority Themes
- C Skills Bank 3 Development
- D Skills Bank 3 Operating Model

Background Papers:

Minutes of the March 21 Education, Skills and Employability Board.

Minutes of the January 21 Education, Skills and Employability Board.

Draft Minutes of the June 21 Education, Skills and Employability Board.

AEB Paper from the June 21 Education, Skills and Employability Board.

Skills Strategy paper from the June 21 Education, Skills and Employability Board.

Careers Board paper from the June 21 Education, Skills and Employability Board.

Skills Bank Operating Model paper from the June 21 Education, Skills and Employability Board.